

INTERNAL REVENUE SERVICE

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Sept 21 2000

Dear [REDACTED]

I am responding to your July 28, 2000, inquiry on behalf of [REDACTED]. My branch within the Internal Revenue Service (IRS) Office of Chief Counsel handles excise taxes.

According to your fax transmission, [REDACTED] contacted [REDACTED] recently with an offer to recover the federal excise tax on gasoline and seven other taxes. You asked the following questions:

(1) Is this a legitimate company?

We cannot answer this question. An individual does not need to register or enroll with the IRS to prepare a taxpayer's return.

(2) If so, how does this tax recovery work? Why?

Companies and individuals offer services to help taxpayers secure a refund for a percentage of the gross refund. These contracts are not regulated by the IRS.

(3) Is there a method by which a city could recover taxes without hiring a consulting firm?

Yes. The city can recover certain taxes by filing a Form 8849, Claim for Refund of Excise Taxes. The information on the Form 8849 and instructions should guide the city in completing the Form. I have enclosed a copy of the Form 8849.

The city may want to determine whether it paid tax on gasoline, gasohol, aviation gasoline, aviation fuel, or LPG, sold for its exclusive use or whether it paid tax on communications services. If so, the city may be eligible to claim a refund. Additional information can be found in Publication 378 and Publication 510, copies of which are enclosed.

I hope this information is helpful to you in responding to [REDACTED]. If you have any questions, please contact me at [REDACTED]
[REDACTED]

Sincerely,

Associate Chief Counsel
(Passthroughs and Special Industries)

Richard A. Kocak
Chief, Branch 8

Enclosures (3)